



Lagardère

Q1 2019 REVENUE

7 May 2019



DISCLAIMER

Certain statements contained in this document are forward-looking statements (including objectives and trends), which address our vision of the financial condition, results of operations, strategy, expected future business and financial performance of Lagardère SCA. These data do not represent forecasts regarding Lagardère SCA's results or any other performance indicator, but rather trends or targets, as the case may be.

When used in this document, words such as “anticipate”, “believe”, “estimate”, “expect”, “may”, “intend”, “predict”, “hope”, “can”, “will”, “should”, “is designed to”, “with the intent”, “potential”, “plan” and other words of similar import are intended to identify forward-looking statements. Such statements include, without limitation, projections for improvements in process and operations, revenues and operating margin growth, cash flow, performance, new products and services, current and future markets for products and services and other trend projections as well as new business opportunities.

Although Lagardère SCA believes that the expectation reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including without limitations:

- general economic conditions;
- legal, regulatory, financial and governmental risks related to the businesses;
- certain risks related to the media industry (including, without limitation, technological risks);
- the cyclical nature of some of the businesses.

Please refer to the most recent Reference Document (*Document de référence*) filed by Lagardère SCA with the French *Autorité des marchés financiers* for additional information in relation to such factors, risks and uncertainties.

No representation or warranty, express or implied, is made as to, and no reliance should be placed upon, the fairness, accuracy, completeness or correctness of such forward-looking statements and Lagardère SCA, as well as its affiliates, directors, advisors, employees and representatives accept no responsibility in this respect.

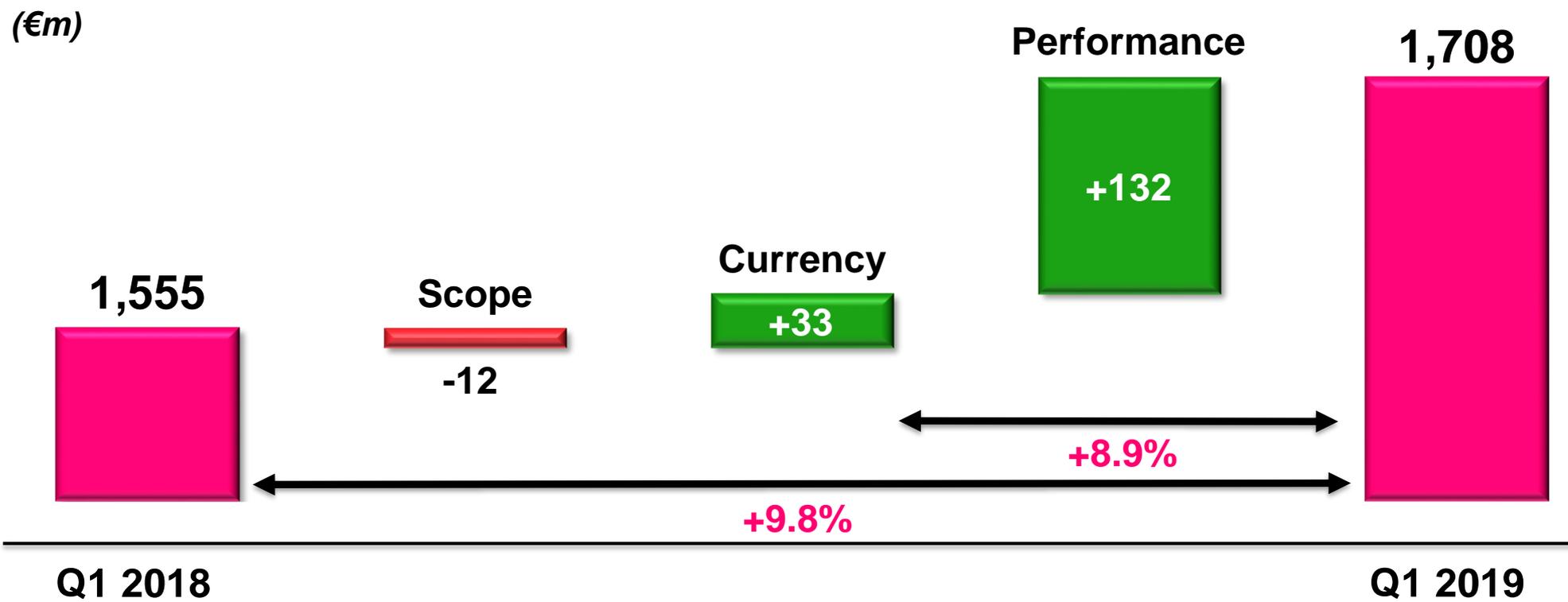
Accordingly, we caution you against relying on forward-looking statements. The forward-looking statements abovementioned are made as of the date of this document and neither Lagardère SCA nor any of its subsidiaries undertake any obligation to update or review such forward-looking statements whether as a result of new information, future events or otherwise. Consequently neither Lagardère SCA nor any of its subsidiaries are liable for any consequences that could result from the use of any of the above statements.

Q1 2019 REVENUE

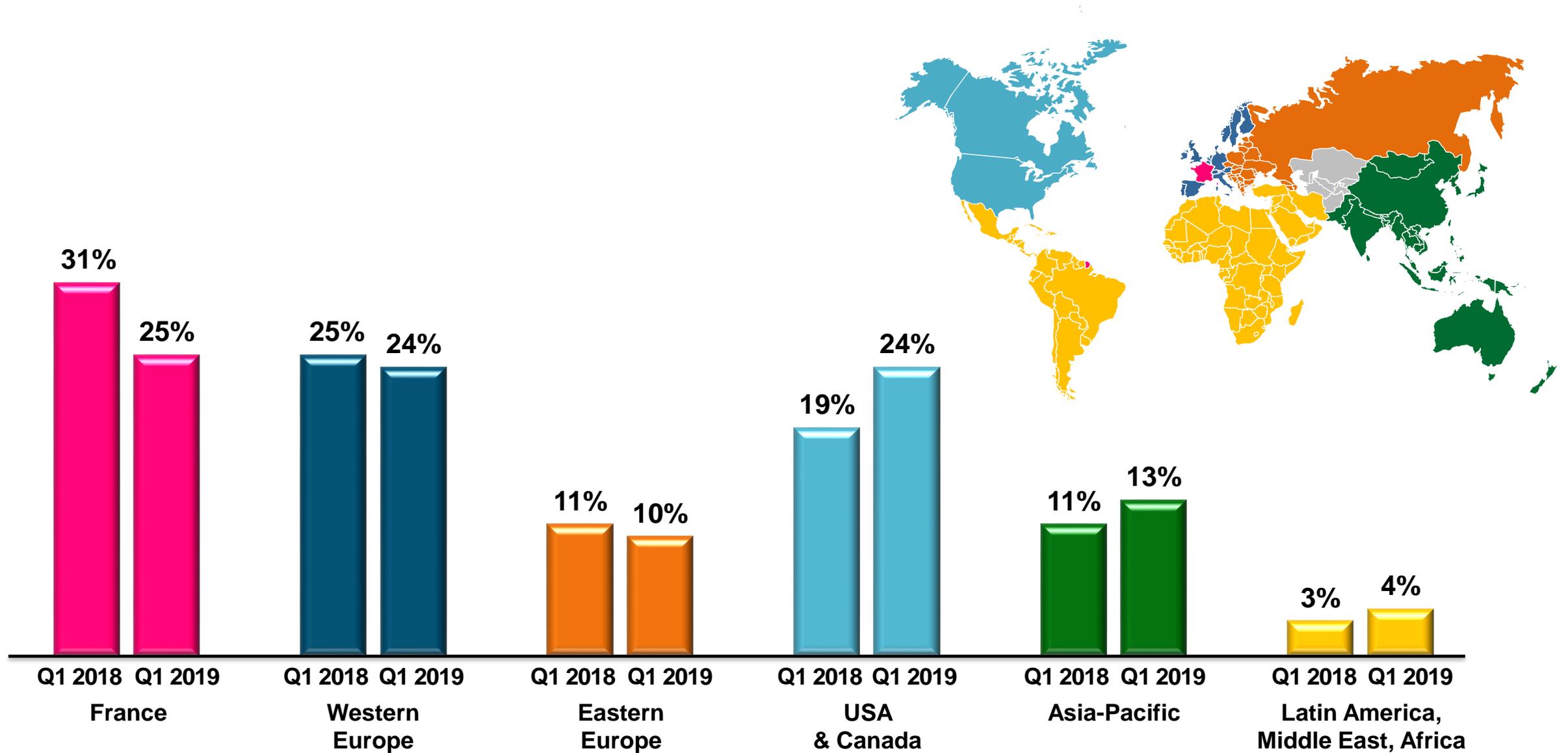
(€m)	Q1
2019 revenue	1,708
2018 revenue	1,555
Consolidated growth	+9.8%
Like-for-like growth*	+8.9%
<i>o/w Target scope</i>	<i>+4.2%</i>

Sharp increase in revenue, spurred by sustained organic growth momentum at Lagardère Travel Retail and by a rebound in activity at Lagardère Sports and Entertainment due mainly to a favourable sporting calendar.

CHANGE IN Q1 REVENUE



Q1 2019 REVENUE BY GEOGRAPHIC AREA



LAGARDÈRE PUBLISHING

(€m)	Q1
2019 revenue	460
2018 revenue	442
Consolidated growth	+4.1%
Like-for-like growth*	+0.9%

Revenue was up slightly buoyed mainly by good performances in the United States and France, as well as a good showing from Partworks, despite the unfavourable comparison basis in the United Kingdom.

* Alternative Performance Measure (APM). See definitions on slides 11 and 12.

LAGARDÈRE TRAVEL RETAIL

(€m)	Q1
2019 revenue	930
2018 revenue	802
Consolidated growth	+15.9%
Like-for-like growth*	+6.9%

Growth trajectory maintained in all geographies, especially France and Asia which were boosted by good sales performances and expansion of the point-of-sale network.

LAGARDÈRE ACTIVE

(€m)	Q1
2019 revenue	116
2018 revenue	208
Consolidated growth	-44.1%
Like-for-like growth*	-13.4%

Revenue was down due to the unfavourable comparison basis at Lagardère Studios.

* Alternative Performance Measure (APM). See definitions on slides 11 and 12.

LAGARDÈRE SPORTS AND ENTERTAINMENT

(€m)	Q1
2019 revenue	202
2018 revenue	103
Consolidated growth	+95.6%
Like-for-like growth*	+88.2%

Strong revenue growth, as expected, thanks to a favourable effect linked to the Asian football calendar and newly-acquired contract in handball.

OUTLOOK 2019

The Lagardère group confirms its target for Group recurring EBIT announced last March.

2019 RECURRING EBIT* GROWTH TARGET BASED ON TARGET SCOPE:**

The Lagardère group expects 2019 recurring EBIT growth based on the target scope to be between 4% and 6% at constant exchange rates and excluding the acquisition of HBF.

The contribution to 2018 recurring EBIT based on the target scope represented €310 million.

NON-RETAINED BUSINESS SCOPE*:**

Based on constant exchange rates, the contribution to recurring EBIT in 2019 for businesses not disposed to date (which represented €78 million in 2018) is expected to be between €80 million and €90 million on a full-year basis.

* Including IFRS 16 impact on buildings and other only. Impact on concession contracts of Travel Retail is neutralised in REVISED Recurring EBIT.

** Lagardère Publishing and Lagardère Travel Retail (core businesses), as well as Other Activities including Lagardère News (*Paris Match*, *Le Journal du Dimanche*, Europe 1, Virgin Radio, RFM and the Elle brand licence), the Entertainment businesses, the Group Corporate function, and the Lagardère Active Corporate function whose costs will be wound down by 2020.

*** Recurring EBIT of operations disposed between 1 January 2019 and 13 March 2019 is minimal, since the Press business was deconsolidated with effect from 1 January 2019 and the amounts corresponding to the other assets are not significant.

DEFINITIONS (1/2)

Lagardère uses alternative performance measures which serve as key measures of the Group's operating and financial performance.

These indicators are tracked by the Executive Committee in order to assess performance and manage the business, as well as by investors in order to monitor the Group's operating performance, along with the financial metrics defined by the IASB. These indicators are calculated based on accounting items taken from the consolidated financial statements prepared under IFRS and a reconciliation with those items is provided either in this presentation or in the press release or in the notes to the consolidated financial statements.

The like-for-like change in revenue is calculated by comparing:

- 2019 revenue to exclude companies consolidated for the first time during the period, and 2018 revenue to exclude companies divested in 2019;
- 2019 and 2018 revenue based on 2018 exchange rates.

In the context of the first-time application of IFRS 16 – Leases, effective 1 January 2019, the Group has elected to retain its existing alternative performance measures with certain modifications, in particular the neutralisation of pure accounting effects and distortions created by the new standard on the concessions businesses. From 1 January 2019, these indicators will be monitored by the Executive Committee to assess operating performance and manage the business, along with the financial metrics defined by the IASB. These indicators will be calculated based on accounting items taken from the consolidated financial statements prepared under IFRS and a reconciliation with those items will be provided. To prevent any confusion during the transition period between the alternative performance measures before and after the application of IFRS 16, each corresponding definition is preceded with “Revised”. The estimated impacts of the application of IFRS 16 on the 2018 consolidated financial statements are set out in the 2018 annual results presentation, on slides 47 to 49.

DEFINITIONS (2/2)

REVISED Recurring EBIT (REVISED Group recurring EBIT). The Group's main performance indicator is recurring operating profit of fully consolidated companies, which is calculated as follows:

Profit before finance costs and tax excluding:

- Income (loss) from equity-accounted companies before impairment losses
- Gains (losses) on disposals of assets
- Impairment losses on goodwill, property, plant and equipment, intangible assets and investment in equity-accounted companies
- Net restructuring costs
- Items related to business combinations:
 - Acquisition-related expenses
 - Gains and losses resulting from purchase price adjustments and fair value adjustment due to changes in control
 - Amortisation of acquisition-related intangible assets
- Specific major disputes unrelated to the Group's operating performance
- Items related to leases: **(NEW)**
 - Cancellation of fixed rental expense* on concessions
 - Depreciation of right-of-use assets on concessions
 - Gains and losses on lease modifications

* Cancellation of fixed rental expense is equal to the repayment of the lease liability, the associated change in working capital and interest paid in the statement of cash flows.

Lagardère

Q&A

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